

# Cultural Influences on Service Quality Expectations

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*Service quality has been conceptualized as the difference between perceived service performance and expected service level. The authors study the effect of consumers' cultural orientation on their service quality expectations. Using the Hofstede dimensions of culture operationalized at the individual level and the dimensions of service quality from the SERVQUAL scale, they develop and test hypotheses relating dimensions of culture with overall service expectations and dimensions of those expectations. Results show that consumers low on power distance have high overall service quality expectations and expect responsive and reliable service. Individualistic consumers have high overall service quality expectations and expect empathy and assurance from the service provider. Consumers high on uncertainty avoidance and short-term-oriented consumers have high overall service quality expectations.*

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Zeithaml, Berry, and Parasuraman (1993) define *service expectations* as "beliefs about service delivery that function as standards or reference points against which performance is judged" (p. 2). Customers compare their a priori expectations with actual service performance to judge service quality. According to the gaps model of service quality (Zeithaml, Parasuraman, and Berry 1990), service quality is regarded as high when service performance is perceived to be higher than expectations of service. Therefore, for a fixed level of perceived performance,

service quality varies according to the level of service expectations that customers develop. In addition, individual customer's expectations may vary from time to time.

According to the Zeithaml, Berry, and Parasuraman (1993) conceptualization, service expectations are influenced by controllable factors (explicit service promises and implicit service promises) and uncontrollable factors (enduring service intensifiers, personal needs, transitory service intensifiers, perceived service alternatives, self-perceived service role, word-of-mouth communication, past experience, situational factors, and predicted service). That conceptualization covers determinants of service expectations mainly in the domestic (or one) market. When applied to the international market, however, the model needs to incorporate the possible impact of cultural differences. Customers in different cultures or countries may have different levels of service expectations, because cultures differ in their patterns of behavior and attitudes.

Little service quality literature has investigated the effect of culture on service expectations. Recently, from a historical perspective, Burgess (1992) asserted that personal cultural values have arrived at the consumer research mainstream even though values research was in the "toddler years" and expected that future research related to cultural values would grow exponentially. Despite a heightened awareness of the role of culture and its impact in the marketplace, culture—in particular, cross-cultural comparison—often has been ignored in consumer-behavior studies. Thus, it has been implied that marketing strategy can be conducted globally without regional modi-

fications. However, when countries or cultures differ in behavior, the cultural context must be incorporated into a universal theory. Farley and Lehmann (1994) contend that one promising approach to generalization of a theory across cultures is through appropriate adjustments of parameters from current models. Their empirical investigation of diffusion models illustrates that different cultural settings produce highly visible differences in consumer behavior, which are reflected in the model parameter estimates. Only when contextual factors are included in the theory can such different market responses be explained validly and predicted accurately.

We would expect marketing efforts to perform well when matched with cultural characteristics. On the basis of a 10-country sample, Roth (1995) found significant moderating effects of culture on the market share performance of brand image strategies. Different types of brand image strategy performed well when the cultural conditions of the societies fit the strategies executed. Similarly, service expectations and the effects of marketing efforts on service quality seem likely to be different in different cultures. When marketing efforts fit the culture, their impact on service quality should be greater or more noticeable. Hence, we need to understand the role of culture in service quality management.

We conducted a study to relate customer expectations of service with culture. In particular, we explored how the level of customer service quality expectations differs among cultures. Knowing the level of expectations is critical in determining the minimum quality of service delivery. For cultures expecting high levels of service, a low level of service quality would be poorly tolerated. Managers should invest careful efforts to exceed expectations and satisfy customers. To examine diverse cultures, we collected data from four countries: United States, Canada, Great Britain, and India. Here, we study customer service quality expectation of banking services, as the banking (and financial) industry is one of the most dramatic examples of internationalization of services (Zeithaml and Bitner 1996).

We adopted Hofstede's (1980, 1991) typology of culture to investigate cultural influences on service expectations. Hofstede's framework is very comprehensive and shows meaningful relationships with important demographic, geographic, economic, and political indicators of a society (Kale and Barnes 1992). Also, Hofstede's measures of cultural dimensions reveal the universal (etic) dimensions of culture that could be found across human respondents in 66 countries. Hofstede's typology has been confirmed empirically and has been heavily cited and replicated in social science, international, and cross-cultural business studies as the most important and popular theory

of culture types (Sondergaard 1994). After reviewing literature on culture, Clark (1990) concluded that most culture typologies converge to Hofstede's. By adopting Hofstede's typology, we can explain and predict the functional relationship of culture (and of each of his dimensions of culture) to service expectations.

Customers' expectations of service have been heavily researched by means of the SERVQUAL survey. Despite some criticism, since first published by Parasuraman, Zeithaml, and Berry (1988), SERVQUAL has been one of the most widely used scales of service quality through numerous modifications and revisions (see Parasuraman, Zeithaml, and Berry 1994a, 1994b). The scale specifies service quality as the gap between customers' expectations and perceptions measured in a two-part instrument. The gap scale of perceptions minus expectations reflects five dimensions: reliability (the ability to perform the promised service dependably and accurately), responsiveness (willingness to help customers and provide prompt service), assurance (employees' knowledge and courtesy and their ability to inspire trust and confidence), empathy (caring, individualized attention given to customers), and tangibles (appearance of physical facilities, equipment, personnel, and written materials). Because perceptual measures sometimes explain more variance in service quality than the gap model, some scholars advocate modeling service quality as a function of perceptions only (see Cronin and Taylor 1994).

We investigated both overall service expectations and their five dimensions. Our two sets of hypotheses relate (a) overall service expectations to the dimensions of culture and (b) some selected dimensions of service expectations to the dimensions of culture. After briefly reviewing Hofstede's typology of culture, we develop our research hypotheses and report data analysis results from our four-country data. We then discuss the findings and future research directions.

## HOFSTEDE'S TYPOLOGY OF CULTURE

Culture is a multidimensional construct. There is no single index of culture, just as there is no single index of personality or lifestyle. Rather, dimensions of culture have been investigated and suggested. In his seminal book titled *Culture's Consequences* (1980, 1984), Hofstede identified four universal dimensions of culture that are largely independent of each other. They are based on the Values Survey Module study with 72,215 employees working in 66 different national subsidiaries of IBM Corporation (called "HERMES" in the book) between 1967 and 1973. The dimensions are power distance, uncertainty avoidance,

individualism-collectivism, and masculinity-femininity. Later, Hofstede (1991) added the fifth dimension—the Confucian dynamic or long-term orientation.

*Power distance* is defined as “the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede 1991, p. 27). Institutions and organizations are the basic elements of society, such as the family, school, workplaces, and the community. Power distance also reflects general human inequality in areas such as prestige, wealth, power, and law. People of high power distance show great reliance on centralization and formalization of authority and great tolerance for the lack of autonomy, which fosters inequalities in power and wealth (Hofstede 1980). Furthermore, they show tolerance in accepting power hierarchy, tight control, vertical top-down communication, and even discrimination by age, gender, family background, education level, race, and occupation. In summary, showing more (less) power works well among high (low) power distance people because of their familiarity with and tolerance of inequalities in power.

*Uncertainty avoidance* is defined as “the extent to which the members of a culture feel threatened by uncertain or unknown situations” (Hofstede 1991, p. 113). That feeling is communicated through anxiety and manifested in a need for predictability: a need for explicit, clear rules or structured situations. Uncertainty avoidance reflects the level of tolerance for uncertainty indicating the way people respond to the uncertainties and ambiguities embedded in everyday life (Hofstede 1980). People of low uncertainty avoidance tend to accept uncertainty without much discomfort, take risks easily, and show tolerance for opinions and behaviors different from their own. They do not need precise and explicit rules such as job descriptions. People of high uncertainty avoidance have a strong need to control environment, events, and situations.

*Individualism* “pertains to societies in which the ties between individuals are loose: everyone is expected to look after himself or herself and his or her immediate family,” and *collectivism*, its opposite, “pertains to societies in which people from birth onwards are integrated into strong, cohesive in groups, which throughout people’s lifetime continue to protect them in exchange for unquestioning loyalty” (Hofstede 1991, p. 51). Individualistic people prefer to act as individuals rather than as members of groups. “I” exists by itself rather than as part of “we.” In an individualistic society, where self-concept and free will or freedom prevail, people develop a great sense of autonomy and personal achievement as opposed to a sense of collectivism and importance of social and security needs (Hofstede 1980). Individualistic people emphasize job

specialization, individual rewards, competitive climate, and individual and nuclear family independence.

*Masculinity and femininity* represents “the dominant sex role pattern in the vast majority of both traditional and modern societies” (Hofstede 1980, p. 277). Masculine societies value male assertiveness, and feminine societies value female nurturance. Masculine customers emphasize differentiated gender roles, performance, ambition, and independence, whereas feminine ones value fluid gender roles, quality of life, service, and interdependence.

The *Confucian dynamic or long-term versus short-term orientation dimension* originated in a cultural value study based on students in 23 countries (Chinese Culture Connection 1987). Long-term orientation, toward the future, is represented by values such as perseverance, ordering relationships by status and observing that order, thrift, and having a sense of shame. Short-term orientation, toward the past and present, is represented by values such as personal steadiness and stability, saving face, respect for tradition, and reciprocation of greetings, favors, and gifts (Hofstede 1991, p. 165). The dimension of long-term versus short-term orientation in life can be viewed as Eastern versus Western, dynamic versus static, and virtue versus truth. Confucius, whose ideas are not a religion that advocates absolutes, has influenced Eastern cultures. They tend to foster virtues oriented toward future rewards. Huat (1989) found that the Confucian ethics of hard work and thrift were a main reason of the economic success of Korea, Japan, and other newly industrialized East Asian countries. Confucian ethics include hard work, thrift, nonmaterialism, benevolence, social consciousness, and morality.

## RESEARCH HYPOTHESES

We first relate overall service expectations to the dimensions of culture, then selective dimensions of service expectations to the dimension of culture. The masculinity-femininity dimension is not investigated because we think it is not strongly related to service expectations.

We have suggested that showing power works well for people of high power distance, who can tolerate and are familiar with inequalities in power. Aside from services requiring mere labor that most customers can perform or low-cost equipment that most customers can own (e.g., lawn care, guard services, and janitorial services), most service involves some kind of power of providers over their customers. The power comes from expertise or professional knowledge and skills (e.g., lawyers, financial advisors, consultants, accountants, insurance agents, bankers, advertising agencies, and educators), equipment (e.g., airlines, movie theaters, dry cleaners, taxis, and retail

stores), or both (e.g., hospitals, car repair shops, printing companies, computer services, professional sports teams, and restaurants).

By helping customers make a better decision or working as an agent who solves customers' problems and satisfies their needs, service providers have the power over their customers (Emerson 1962). Therefore, customers of high power distance culture would respect the service providers and think the providers' work is beyond their grasp. As a result of their tolerance in accepting inequalities in power, they are likely to set a low level of service quality expectations. In addition, such customers would not expect immediate or high-performance service even though they may think the service providers know and work better than they do themselves. They would accept or tolerate poor service delivery because of the service providers' expertise and/or equipment power. For seemingly poor services, the customers of high power distance would find excuses for the service providers.

*Hypothesis 1a:* High power distance customers have lower service quality expectations than low power distance customers.

*Hypothesis 2a:* High power distance customers have lower expectations of responsiveness from the service provider than low power distance customers.

*Hypothesis 2b:* High power distance customers have lower expectations of reliability from the service provider than low power distance customers.

Uncertainty may have two sources: risk (high probability of failure of an event) and ambiguity (unknown probability of occurrence of an event). Either risk or ambiguity creates uncertainty with which customers feel uncomfortable. Customers of high uncertainty avoidance culture would hesitate to choose uncertain situations. Such customers actively avoid uncertainty through planning and risk aversion, whereas low uncertainty avoidance customers are more accepting of uncertainty and embracing risk (Nakata and Sivakumar 1996). High uncertainty avoiders are cautious in choosing services; they take time in evaluation and do not make quick decisions. Because of their careful planning and risk-averse decisions, such people are likely to generate high service quality expectations. They would not want to risk low-quality work. In addition, they would use tangibles (e.g., furniture, office, and facilities) as a surrogate of service quality because these features are visible evidence signaling quality service. Visible/tangible evidence would help them lower their perceived risk in service situations, which, by definition, involve a major intangible/perishable component.

*Hypothesis 1b:* High uncertainty avoidance customers have higher service quality expectations than low uncertainty avoidance customers.

*Hypothesis 2c:* High uncertainty avoidance customers place more importance on tangibles than low uncertainty avoidance customers.

The key concepts in individualism include competition, independence, self-orientation, idiocentricism, freedom, self-confidence, and fairness, whereas the key concepts in collectivism include cooperation, interdependence, others-orientation, allocentricism, harmony, conformity, friendship, forgiveness, and social usefulness (see Hui 1984; Triandis, Bontempo, and Villareal 1988). Schwartz and Bilsky (1987, 1990) found that enjoyment, achievement, and self-direction values serve individualistic interests, whereas prosocial, restrictive, and security values serve collectivist interests. Triandis et al. (1993) summarized collectivism as giving priority to the goals of collectives and individualism as giving priority to the goals of individuals. Collectivists have little willingness to make unique personal decisions on their own, they feel locus of control is on the group side rather than on their side, and they pursue harmony in the in-group rather than their own needs and wants.

Individualistic customers pursue primarily their own (i.e., the customers) interests, not others' (i.e., the service providers) interests. Hence, individualistic customers are not willing to accept poor service. In contrast, collectivist customers will emphasize we (i.e., both customers and service providers as a group) rather than I (i.e., the customers) because they stress mutual dependence or interdependence in human relationships. Also, they would easily conform to and tolerate poor services because they do not want to break harmony (i.e., good relationship between the customer and the service provider). Thus, collectivist customers do not have a high level of expectations for service quality because they prepare themselves to conform to whatever level of service is provided.

In summary, individualistic customers are likely to develop high service quality expectations because they make their own benefits the top priority. Individualistic customers who want the service providers to do their best for their own good would not tolerate low service quality.

Individualistic customers would tend to focus on the work of the service provider alone, whereas collectivist customers would look at the whole organization and not expect everything from the provider alone. In addition, individualistic customers would expect the provider to respect and care about them, to show empathy and attention, and to give them confidence about the services they are receiving.

*Hypothesis 1c:* Individualistic customers have higher service quality expectations than collectivist customers.

*Hypothesis 2d:* Individualistic customers have higher expectations of empathy from the provider than collectivist customers.

*Hypothesis 2e:* Individualistic customers have higher expectations of assurance from the provider than collectivist customers.

Long-term-oriented customers (i.e., those with high Confucian dynamic) do not pursue truth eagerly (Hofstede 1991). They accept multiple truths: if "A" is true, "not A" may also be true. No fact or object is absolutely right or false. Long-term-oriented customers therefore are tolerant of things that may seem false or unclear. Poor service delivery is likely to be accepted among long-term-oriented customers. Especially in the short run, such customers would not be concerned that every service experience is perfect, and they would be willing to give the provider the time to improve. They would sacrifice today for a better future. Long-term orientation puts little importance on past-and-today-oriented values (Hofstede 1991). Hence, current quality service would elicit little credit among long-term-oriented customers. Even when they receive prompt service, they would not appreciate it as much as short-term-oriented customers. They would be willing to give the provider the time to do the service.

*Hypothesis 1d:* Long-term-oriented customers have lower service quality expectations than short-term-oriented customers.

*Hypothesis 2f:* Long-term-oriented customers place lesser importance on responsiveness than short-term-oriented customers.

## METHOD

### Data

A total of 281 demographically similar respondents in four countries participated in the study. Of those respondents, 72 were in Canada, 85 in Great Britain, 80 in India, and 41 in the United States. Marketing research firms in each of the countries recruited the respondents to participate in the study. The research firms were asked to recruit young, middle-class men and women professionals, fluent in English, with at least some college education. The study was conducted at about the same time in all countries. Respondents were offered an incentive to participate (10 Canadian dollars, 10 U.S. dollars, 10 pounds, and 100 rupees in Canada, the United States, Great Britain, and India, respectively).

Analysis of variance on the sociodemographic data showed that the nonrandom samples did not differ significantly in age, education, English proficiency, or gender proportions. Statistical comparisons of income levels were not possible because of varying currency exchange rates and differences in standards of living. However, researchers familiar with all four countries felt that similar segments were represented. Calder, Phillips, and Tybout (1981) and Berry (1980) suggest that such matched samples may be more relevant than representative random samples for theory-testing studies such as ours. The well-described samples will enable other researchers to replicate the study with samples that have similar characteristics. Moreover, as described next, individual-level analysis was conducted to operationalize cultural dimensions, and hence national representativeness was not important in the sample selection. Individuals from different countries were pooled together if they were similar on any dimension of culture. By using matched samples, we attempted to minimize any response bias.

In a written survey, respondents first were asked a series of questions to capture their cultural orientation. The next set of questions measured their expectations of their bank's service quality. Only respondents who were familiar with banking transactions and had active bank accounts participated in the study. The scale used to measure service quality expectations, SERVQUAL, has been used several times to measure quality of banking services. Respondents' English proficiency was then measured by a reduced Test of English as a Foreign Language (TOEFL) exam. Finally, some demographic questions were asked for classification purposes.

### Individual-Level Analysis

We did not focus on individual nations but on dimensions of culture by using Hofstede's (1980, 1991) typology of culture as equivalent to individual respondents' values or value orientations. In other words, the values of an individual person were identified in terms of the selected dimensions of culture; for example, a person can be described from the cultural perspective as being of high power distance, high individualism, strong uncertainty avoidance, and high Confucian dynamic. Applying Hofstede's cultural typology at the individual level is reasonable. The term *culture* is not synonymous with the term *country*, even though country has been used as a surrogate for culture in many cross-cultural studies (e.g., Clark 1990; Dawar and Parker 1994; Roth 1995). Considering a nation-state as a surrogate for a culture raises problems, because within-country heterogeneity may be greater than between-culture heterogeneity (Hofstede 1980; Samiee and Jeong 1994). For example, Canada and the United

States generally can be classified into a single cultural group. However, within the United States, the subcultures (e.g., Caucasian Americans, Hispanic Americans, African Americans, and Asian Americans) are very different from one another. When the cultural heterogeneity within a country is so great, use of the term *national culture* or *national character* may be improper to describe the true cultural characteristics of a country because of the wide variations from, and many exceptions to, the described national character (Hofstede 1980).

An ideal unit of analysis for culture is subcultures rather than countries, if we assume that any pair of countries has some overlapping subcultures. A *subculture* can be defined as a unique combination of cultural dimensions that goes beyond geographic boundaries of countries. For example, even though a person lives in a high uncertainty avoidance culture, he or she can maintain and develop a low uncertainty avoidance subculture and be little influenced by the society. Extreme cases include immigrants to a country and workers in a multicultural workplace. Immigrants identify with the culture of their homeland until they become accustomed to the culture of the society into which they have moved. Therefore, similar subcultures may be present across different countries (Samiee and Jeong 1994). Also, Hofstede's (1980) typology of culture was developed originally on the basis of individual managers' value orientations. The national characters of 66 countries in his study were based on Inkeles and Levinson's (1969) modal personality concept, that is, the average score of the responses of surveyed individual subjects within a focal country. Therefore, applying the cultural concept to individuals is acceptable.

Leung and Bond's (1989) "individual level multicultural factor analysis" makes it possible to apply Hofstede's typology of culture to individual subjects. In their method, the pooled sample of multinational data is the basis of universal scale development. The Leung-Bond method requires (a) standardization of the scores, first within subjects and then across items and (b) factor analysis of those doubly standardized scores. By that procedure, strong etic cultural dimensions are extracted. Triandis et al. (1993), for example, used it to obtain strong etic individualism-collectivism measure items. Also, the procedure enables one to analyze the pooled data in a nomological network of various research constructs.

In summary, we surveyed respondents in four countries to obtain high variance for the culture dimensions. We did not, however, treat all respondents in a country as similar in their culture orientation. We measured culture orientation at the individual level. Hence, both the high power distance group and the low power distance group may include respondents in all four countries surveyed. We standardized the responses before pooling them to eliminate any biases.

## Measures

Items for the four dimensions of culture were generated based on Hofstede's (1980, 1991) work. Hofstede's original items had to be modified to suit the consumer situation of the study as they primarily measure work-related values. Using recent studies based directly or indirectly on Hofstede's work (e.g., Bochner and Hesketh 1994; Dorfman and Howell 1988; Hui 1984; Hui and Triandis 1986; Triandis et al. 1993) generated additional items. A pilot study with 65 American subjects and 44 Indian subjects was conducted for scale purification. Multiple methods such as calculation of Cronbach's reliability coefficients, exploratory factor analysis, and confirmatory factor analysis were conducted to select reliable measure items for the main study.

The SERVQUAL scale (Parasuraman, Zeithaml, and Berry 1994a) was used to measure consumer service quality expectations. The 22-item scale, which captures the five dimensions of service quality expectations, has been replicated and validated in numerous studies.

## RESULTS

As a first step in the main study, the measures for culture developed in the pilot study were purified further to obtain high and acceptable reliability and unidimensionality. Finally, four, three, three, and four items were used to measure power distance, uncertainty avoidance, collectivism, and long-term orientation, respectively. We obtained final reliability values of .72, .76, .77, and .70, respectively, for those constructs by using the pooled data and the Leung and Bond (1989) technique. As expected, the dimensions of the SERVQUAL scale were highly reliable. We obtained reliability values of .82, .88, .77, .80, and .85, respectively, for the dimensions of responsiveness, reliability, assurance, empathy, and tangibles by using the pooled data and the Leung and Bond technique.

Next, we used analysis of variance and *t* tests to test each of the 10 hypotheses. The results are summarized in Table 1. We first classified the respondents in the low and high groups for each of the dimensions of culture by using a median split. Through Leung and Bond's (1989) individual analysis, this median split was expected to divide the four-country pooled individual responses into two equal groups. But it did not guarantee capturing globally high and low levels of each of the dimensions because the four countries examined are only a small sample of the countries in the world. In addition, the fairly homogeneous sample of the study could not have captured the full continuum of each of the cultural dimensions. The median split may lose some valuable information of the cultural

**TABLE 1**  
**Results of Hypothesis Testing**

Hypothesis Number	Group	Criterion <sup>a</sup> Means	Difference Significant at the .05 Level?
1a	Low power distance	4.2	Yes
	High power distance	3.4	
2a	Low power distance	4.1	Yes
	High power distance	3.2	
2b	Low power distance	4.1	Yes
	High power distance	3.1	
1b	Low uncertainty avoidance	3.2	Yes
	High uncertainty avoidance	4.4	
2c	Low uncertainty avoidance	3.4	No
	High uncertainty avoidance	3.6	
1c	Individualistic	4.4	Yes
	Collectivist	3.2	
2d	Individualistic	4.2	Yes
	Collectivist	3.3	
2e	Individualistic	4.1	Yes
	Collectivist	3.4	
1d	Long-term orientation	3.5	Yes
	Short-term orientation	4.1	
2f	Long-term orientation	3.6	No
	Short-term orientation	3.8	

a. SE = service expectations.

values measured in interval scale, but it is a simple but strong way of showing the relationships. Further analysis using the nonsplit data showed similar results.

Overall, high power distance customers had lower service quality expectations than low power distance customers (mean 3.4 vs. 4.2), high uncertainty avoidance customers had higher service quality expectations than low uncertainty avoidance customers (mean 4.4 vs. 3.2), individualistic customers had higher service quality expectations than collectivist customers (mean 4.4 vs. 3.2), and long-term-oriented customers had lower service quality expectations than short-term-oriented customers (mean 3.5 vs. 4.1). All of those differences were significant at the .05 level, providing empirical support for Hypothesis 1a through Hypothesis 1d.

We found support for four of the six hypotheses relating dimensions of culture with dimensions of service quality

(and directional support for all of those six hypotheses). High power distance customers had lower expectations of responsiveness from the service provider than low power distance customers (mean 3.2 vs. 4.1), as posited in Hypothesis 2a. They also had lower expectations of reliability from the service provider than low power distance customers (mean 3.1 vs. 4.1), as posited in Hypothesis 2b.

High uncertainty avoidance customers placed more importance on tangibles than low uncertainty avoidance customers (mean 3.6 vs. 3.4), but the difference is not significant at the .05 level and hence provides only directional support for Hypothesis 2c. Individualistic customers had higher expectations of empathy from the provider and higher expectations of assurance from the provider than collectivist customers (mean 4.2 vs. 3.3 and mean 4.1 vs. 3.4, respectively), hence Hypothesis 2d and Hypothesis 2e are supported. Long-term-oriented customers placed less importance on responsiveness than short-term-oriented customers (mean 3.6 vs. 3.8), but this difference is not significant at the .05 level and hence provides only directional support for Hypothesis 2f.

## DISCUSSION

Given the growing role of the services industry in the world economy, service quality and customer satisfaction have become increasingly important. Both academic research and industry studies have addressed those issues. Service providers try to satisfy the customer to gain repeat business and ultimately increase profits and usually can do so by meeting or exceeding customers' service quality expectations.

Service quality expectations can vary from person to person. Previous studies have identified factors that may affect the level of service quality that consumers expect. However, one element not addressed in those studies is the impact of the consumer's culture orientation on his or her service quality expectations.

We hypothesized and tested the influence of culture on the consumer's service quality expectations and found strong empirical support for most of our hypotheses. Our results indicate that as a result of their cultural orientation, consumers vary in both their overall service quality expectations and their expectations on each of the dimensions of service quality.

Consumers low on power distance had high overall service quality expectations and expected responsive and reliable service. Collectivist consumers had low overall service quality expectations and did not expect much empathy or assurance from the provider. Consumers low on uncertainty avoidance had low overall service quality ex-

pectations, and short-term-oriented consumers had high overall service quality expectations.

Our findings have significant implications for service providers, especially those expanding internationally or targeting immigrants. Consumers differ in their service quality expectations, and it does not make sense to treat them all as being the same. Given the high cost of providing service quality, differential targeting of service quality to customers may make sense. Because our study was based on individual customers' cultural orientations measured using Hofstede's (1980, 1991) typology of culture, our findings should be applied to countries with caution. Nevertheless, a probable link between our findings about cultural values and different countries in the world can be considered. When Hofstede's (1991) indexes are used, for example, countries of high power distance such as Malaysia, Philippines, Mexico, the Arab countries, India, France, and Singapore may have lower service quality expectations than countries of low power distance such as Denmark, Austria, Sweden, Great Britain, the United States, and Canada. Western countries such as Canada, the United States, and European countries are low in power distance, high in individualism, high in uncertainty avoidance, and low in long-term orientation, whereas Asian and Latin American countries such as Malaysia, Guatemala, the Philippines, Japan, Korea, Taiwan, Mexico, and Venezuela are high in power distance, low in individualism, low in uncertainty avoidance, and high in long-term orientation. Hence, we expect these Western countries to have higher service quality expectations than their Asian and Latin American counterparts.

Our study is a first step in understanding cross-cultural differences in service quality expectations and hence has some limitations. We tested the hypotheses in the context of only one service—banking. The results must be generalized to other types of services to identify any service-specific differences. Moreover, banking services differ among countries and may play a role in setting consumer expectations. From a managerial point of view, country-level differences should be investigated to develop country-level service strategies. As past experience with a service provider influences current service quality expectations, determining the effect of past experiences on expectations in relation to the effect of culture is also important. Future studies should employ diverse respondents from many countries. Here, we only used similar respondents from four countries to test our hypotheses. Finally, we used the SERVQUAL scale as a proxy of service quality expectations. Despite wide acceptance of the scale, the outcome using another scale might have been different. Therefore, we recommend future researchers to

test our hypotheses using different scales of service expectations.

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